CLASSIFICATION

CONFIDENTIAL

CENTRAL INTELLIGENCE AGENCY

REPORT

INFORMATION FROM
FOREIGN DOCUMENTS OR RADIO BROADCASTS CD NO.

50X1-HUM

COUNTRY

Hungary

DATE OF

AIL UF

SUBJECT

Economic - Statistics

INFORMATION 1950

HOW

Monthly periodical

DATE DIST. 21 Mar 1951

.....

WHERE PUBLISHED

PUBLISHED

NO. OF PAGES 3

DATE

PUBLISHED

Nov 1950

Budapest

LANGUAGE

Hungarian

SUPPLEMENT TO REPORT NO.

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES WITHIN THE MEANING OF ESPIONAGE ACT 50 U.S.C., 31 AND 32.AS MEMOREO. ITS TRANSMISSION OF THE REVELATION OF ITS CONTENTS IN ANY MANNER TO AN UNAUTHORIZED PERSON IS PRO-HISTIZED BY LAW. REPRODUCTION OF THIS FORM IS PROHISTICED.

THIS IS UNEVALUATED INFORMATION

SOURCE

Statisztikai Szemle.

THE TASKS OF SOCIALIST COMMERCIAL STATISTICS IN HUNGARY

Commerce is an important part of a socialist economy. Socialist trade must transmit merchandise to the consumer in abundance, quickly, and as cheaply as possible. At the same time, the number of transactions and the number of agencies handling the goods must be reduced.

Planned economy, a characteristic of socialist commerce, makes possible the scientific organization of statistics on domestic trade. The nationalization of wholesale enterprises and the strengthening of the cooperative sector in the handicrafts made possible the extension of the planned economy to internal trade and also established the prerequisites for statistics on domestic trade.

It is the basic task of socialist statistics to support planned domestic trade and to control its achievements. Statistics on domestic trade must therefore:

- 1. Measure consumer demand and the capacity and efficiency of the commercial apparatus, and furnish operating agencies with data to make planned trade possible.
- 2. Measure and control the degree of compliance with trading plans. In addition to working out a comparison between actual and planned figures, indexes should be worked out to present a comprehensive picture of the commercial life of the entire country.
- 3. Show the leading and lagging sectors of trade. The results achieved must be established so that the examples to be followed can be shown and stragglers pointed out. The operating agencies can then eliminate the errors and their causes.

Statistics can accomplish the above objectives only if the phenomena and facts observed are examined as a dialectic whole or in their entirety, without overlooking their interrelationships, changes, and development. That is why grouping is very important in statistics dealing with domestic trade. Grouping makes possible a comprehensive study of trade, its composition, and the

-1-

CONFIDENTIAL

	CLASSIFICATION	M COMPTDENTIAL	
STATE X NAVY	NSRB	DISTRIBUTION	
ARMY AIR	X FB1		

Sanitized Copy Approved for Release 2011/09/14 : CIA-RDP80-00809A000600380489-8

CONFIDENTIAL

50X1-HUM

various channels which goods follow on their way to the consumer. The examination of change in phenomena through use of index numbers makes possible the observation of the dynamics of commercial activity.

The application of dialectics to statistics allows the separation of the 'mportant from the unimportant. This method makes it possible to separate decisive index numbers from those that are second and third rate. When data is being collected, the object is not to collect a large quantity, at least in the beginning, but to get information which is most important in throwing light on the most important processes and relationships.

Evaluation of the immense quantities of information for each of the individual operating agencies is almost impossible for technical reasons. In addition, the mass of material obscures the important points.

Most mistakes committed in the early days in the name of statistics can be ascribed to not having followed the above principles.

The organization of statistics on domestic trade followed the establishment of nationalized commerce and tried to satisfy socialist statistical requirements. However, the relationship between the Ministry of Domestic Trade and the Central Statistical Office was mechanical. The Central Statistical Office delivered to the various branches of the ministry the data requested in the detail specified and without evaluation or selection. As a result, within a short time, the various departments of the ministry received more than 500,000 sets of figures per month. The ministry asked for and received detailed reports on each branch and store in given chains. It is obvious that the ministry was unable to separate from this mass of material the figures which had a national meaning, and thus a partial and incorrect picture of trade was presented. The mass of material in question only gives a cross section of monthly trade and does not show dynamic development in terms of time. The result was that mountains of data were left untouched.

In addition, the ministry asked for information regarding the wholesale trade in 800 - 1,000 more important items. The result of the detailed examination of all items involved was that a really detailed examination of the more important items was overlooked. As a result, for example, the abnormal rise in sugar consumption this April was not noticed and the sugar sales contest in the KOZERT (Municipal Food Industries, Inc.) stores was not discontinued, even when stocks were almost exhausted.

Responsibility rests both with the Ministry of Domestic Trade and the Central Statistical Office. The latter is not a numbers factory which simply delivers the data ordered. It is, in fact, the directing agency for the control and direction of the national economy.

The above does not mean, of course, that details are not important. Socialist statistics emphasize the need for discovering the leaders and the stragglers. But it is the concrete character of statistical data which determines the need for detailed examination. As we go down the scale, it is obvious that information must be more and more detailed to be useful. As we go from store to ministry, we see that the tasks vary not only quantitatively but also qualitatively. Thus, the statistical information which is the basis for carrying out tasks must also change. Essentially, it is this dialectic principle which was violated when the theoretical and directing departments of the ministry received data designed for individual stores and branches.

One the basis of an agreement with the Ministry of Domestic Trade, the Central Statistical Office has changed the system of supplying statistical data according to the following principles:

- 2 -

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

50X1-HUM

1. Instead of detailed data on stores and branches, data will now go only as far down as enterprises. The information will be evaluated, however, and will include actual and planned figures. Data going as far down as the enterprises is sufficient to show domestic trade plan fulfillments and to show what action must be taken by the ministry.

If, during the examination of a concrete case, it appears that more detailed information is necessary, the detailed report of the enterprise involved is made available to the examiners.

- 2. The Central Statistical Office will put more emphasis on the study of transactions in the more important items. Naturally, this is not to be done by examining every item in minute detail, but by examing only the 30-40 more important items, breaking them down according to counties and sectors. The office observes the fluctuations in stocks on hand and the transactions in all types of merchandise. Thus, the need for detailed examination becomes apparent even if the item was not considered at the time of evaluation.
- 3. In addition to the detailed monthly examination of domestic trading concerns and the more important consumers' goods, the Central Statistical Office will supply the more important data regarding domestic trade on a quarterly basis. This is to be presented from various points of view. For example:
- a. Branch and chain distribution according to county, and types of transactions.
- b. The changes in gross and net turnover in the case of wholesale and buying enterprises.
- c. Per capita sales by specialty, type of business, according to location, i.e., Budapest, county, town, or village.
- 4. Finally, the Central Statistical Office will give a broader picture of interrelationships of trade, in addition to specifying per capita sales, sales per 100 forints of wages, the average wage, and the rate of turnover. For instance;
 - a. Per capita consumption of more important items per county.
- b. The number of stores and branches in proportion to the size of the population.
- c. The transactions of wholesale concerns in proportion to the area of land cultivated or to the size of the agrarian population.

On the basis of Soviet experience, the Central Statistical Office will gradually enlist the county councils in its data-collecting and evaluating work. The further development of the Hungarian national economy and trade will also involve further decentralization.

It is the aim of the Central Statistical Office to train statisticians so that the local statistician will evaluate and interpret the data with which he is concerned, instead of merely filling out questionnaires.

- E N D -

- 3 -

CONFIDENTIAL .

CONFIDENTIAL